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cc: Paul
Tom
Beth

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Monticello Field Office

P.O. Box 7

Monticello, Utah 84535

<http://www.blm.gov/utah/monticello>



IN REPLY REFER TO:

OCT 10 2007

(UT-090)

UTU- 74631

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Certificate No.

White Canyon Exploration LLC	:	Plan of Operations, UTU-74631, Daneros
PO Box 1032	:	Mine Project, Bullseye Canyon, San Juan
Moab, Utah 84532	:	County, Utah

Plan of Operations Not Complete

Your Plan of Operations (Plan) to conduct uranium mining in T.37 S., R.16 E., Section 6, San Juan County, Utah was received in this office on September 10, 2007. The Plan of Operations has been assigned Bureau of Land Management (BLM) case file number UTU-74631. Please refer to this number in any future correspondence concerning this operation.

As required under the surface management regulations at 43 CFR 3809.411(a), BLM has reviewed the Plan to determine if it meets the content requirements at 43 CFR 3809.401(b). Based on our review, the following information is required in order for the Plan of Operations to be complete:

Operator Information

1. Please identify one individual as the point of contact.

Description of Operations

1. The mine site is situated in a narrow canyon, bisected by its main wash with a tributary wash also entering the site. Given this setting, mine facility siting, material handling and drainage are particularly important elements to detail in the Plan because of the limited space which is available. Therefore, the following information is required:

- Topographic (surface elevation contour) map(s) of mine site showing 1) Pre-mine conditions including all existing mine features and existing surface disturbance 2) Proposed or conceptual design of mine layout including, all mine facilities, work areas, roads, waste rock and topsoil piles, erosion or water control structures, all areas of new surface

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disturbance, and total acres of mine site. 3) Post-mine conditions or conceptual design of mine site after reclamation. Site maps must show surface elevation contour lines at appropriate scale for cross sectioning purposes. A 7.5' minute topographic map (contour interval 40 feet) is not sufficient for a detailed mine site layout. However, it may be appropriate for other purposes such as showing the mine's general physiographic location.

- Characterization of ore and waste rock for chemical and radiological considerations, including acid rock drainage (ARD), transport of radiological particles and radon emission. Rock characterization should also include the ore/waste rock ratio and the total volume of waste rock to be produced during development and production mining.
 - Material handling plan including; conceptual design of waste rock and topsoil piles with slopes, set-backs from washes, sediment containment and erosion control structures shown on surface contour maps and cross-sections.
 - Water management plan including; measures to stabilize stream bank on mine site; measures to control storm water runoff; design of access road for proper drainage and wash crossing(s); mine dewatering and disposal, if applicable; and measures to control sedimentation and erosion, including waste rock and topsoil stockpiles. The Plan states that "No runoff from the waste pile or debris will be allowed to enter stream channels" however, it is not clear how this will be done since no containment or settling basin is proposed. Please explain. All water control structures should be designed based on the 100-year, 6-hour storm event. Water structures including; wash crossing(s), culverts, and storm water diversion or containment structures such as ditches, berms, and settling basins should be shown on topographic maps.
2. The Plan states that "Fill dirt from drift development will be used to build-up washed out sections of road as necessary". If mine waste rock, or other rock material resulting from development mining, is proposed for road maintenance then characterization of this material is required as above.
 3. The Plan needs additional information about ore production, haulage and transportation requirements, including daily mine production (tons per day), size (capacity) of haul trucks, frequency of shipments and location of mill or buying station.
 4. The Plan does not provide a schedule of operations from start-up through final closure. Identify major phases such as development, production and reclamation. The Plan states that there will be "approximately three employees at project startup" but does not provide information on total employees needed for each phase of operation. Information is needed on number of shifts per day and number of employees per shift for each phase of operations.
 5. The Plan references the following mine facilities which are not shown on a map: second portal, vent hole, sewer/septic system, refuse storage, berm around fuel storage tank, chemical/lubricant/oil storage, and generator and fan site(s). These facilities need to be shown on the topographic map.

6. The Plan states "there will be no mine water removal". However, it also states that "Water that currently exists in the adit" and "if fluids are encountered, holes will be plugged in the subsurface to prevent aquifer contamination". Please clarify whether or not mine dewatering will be necessary and provide the basis for that determination. If dewatering is necessary then a plan for handling mine water disposal will be required.
7. The Plan must address measures for dust abatement.
8. The existing road through the mine site provides public access. The Plan needs to address measures to maintain public access and ensure public safety, including physical and air quality hazards.
9. The Plan states that "Refuse will be...hailed off the mine site on a regular basis" but no mention is made of the disposal site. This should be clarified in the Plan.
10. The Plan mentions that potable water will be trucked to the mine site but the Plan also needs to include the intended potable water source, quantity, and frequency of loads to be hauled. Also, if water is going to be used for dust suppression then estimate amount needed, water quality and source, if different than potable water source.
11. The Plan states that employee housing will not be provided at the mine site but it is not clear if a separate mine camp is needed elsewhere on public lands or whether employees will be commuting each day from area communities. This needs to be clarified in the Plan.
12. The Plan refers to a new access road across the wash that "will be wide enough to accommodate ore trucks and mine buggies". The Plan should show the location of the new road and include design features such as width, surface material, drainage and wash crossing (s) specifications.
13. The Plan indicates that future drilling operations would be conducted but no specific information is provided other than to make reference to previous NOI and stating that all holes drilled under the NOI have been plugged. If additional drilling is being proposed as part of the Plan then details of that operation also need to be included. This will require a map showing drill area, number of holes, access and description of drilling operation, including reclamation. The Plan describes plugging procedures but does not mention surface reclamation of drill sites.

Interim Management

1. The Plan states that in the event the mine is temporarily closed, "Personnel would be posted at the mine entrance to regulate entry to the mine site" and "Personnel would also be assigned to mine site monitoring". It is not clear from the Plan if a watchman would be necessary 24 hours per day or just a portion of each day and, therefore whether or not temporary quarters would be needed. Also, it is not clear what resource or site conditions would be monitored. These points need to be clarified in the Plan. Interim management should include measures to maintain the site in a safe and clean condition, provisions to store

or remove equipment and supplies or structures, isolate or control toxic materials and site stabilization.

Monitoring

1. According to the Plan, "Monitoring will be done on a regular basis". The Plan indicates that the following resource conditions would be monitored: surface or groundwater quality/quantity, vegetation or reclamation conditions, stability conditions, wildlife mortality, and noise or light levels. However, the Plan does not state how monitoring would be done or who will do the monitoring. The Plan must include methodology for accomplishing monitoring including, type and location of monitoring devices, sampling parameters and frequency, analytical methods, reporting procedures and adverse monitoring result thresholds and procedures and qualified persons to conduct monitoring.

Reclamation

1. The Plan states that "mine portal and tunnels will be permanently sealed" yet there is no discussion of how this will be accomplished. The Plan needs to include description of how the two adits (portals) will be closed.
2. The Plan does not specify the depth and diameter of the vent hole or its method of closure. This needs to be included in the plan.
3. The Plan states that "Appropriate equipment for reclamation will be used". The Plan needs to include equipment needed for reclamation, as well as equipment to be used for other phases of operation.
4. The Plan indicates that weeds "will not be allowed to become uncontrollable" and that the site will be "kept clear of weeds". Measures to treat or clear weeds should be described in the Plan.
5. The Plan states that "topsoil will be stockpiled for future reapplication". The Plan should indicate areas that will be stripped of topsoil and the approximate thickness to be removed. Include measures to be taken to maintain the viability of the organic matter in the topsoil and how topsoil will be protected to prevent loss due to wind or water erosion.
6. The Plan references reseeding but fails to state what seedmix, application rate or application method would be used. This information needs to be in the Plan.
7. The regulations require that the operator provide BLM with an estimate of the cost to fully reclaim the operation (43 CFR 3809.401(d)). The Plan does not include a reclamation cost estimate (RCE) but requests BLM's assistance in obtaining the RCE. As requested, attached is a reclamation cost worksheet to assist you in preparing the RCE. The RCE is not required at the time the Plan is submitted but should be submitted sometime after a complete Plan is received by BLM and before BLM issues its final decision on your Plan of Operations.

Please provide a response to the above information requests at your earliest convenience. Upon receipt of the required information, BLM will again determine whether or not the Plan of Operations is complete.

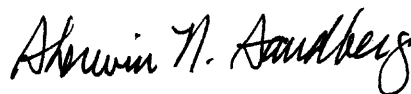
Once the Plan is determined complete, BLM will prepare an environmental assessment (EA) on the Plan. Please note that there is a required 30-day public comment period on the complete Plan/EA before BLM can issue a final decision on your Plan of Operations.

The BLM will conduct the necessary cultural resource inventory of the project area. However, in order to prepare the EA and process your Plan, the BLM may require that you submit additional baseline environmental information pursuant to 43 CFR 3809.401(c). This baseline information may include wildlife inventories, air and water quality data and groundwater conditions.

Enclosed is a CD containing a copy of the Tony M Mine Plan received by the BLM, Henry Mountain Field Station. That Plan is being provided as an example which you may find helpful in preparing your Plan. It is important to note that the Tony M Mine is a much larger and more complex mine than is your proposed operation at the Daneros. For that reason the Tony M Plan is offered only as an example and, the actual level of detail in the Plan should be commensurate with the proposed operations and need only be sufficient for BLM to determine that your Plan will prevent unnecessary or undue degradation of public lands.

If you have questions concerning your Plan, please contact Ted McDougall of my staff at 435-587-1512.

Sincerely,



Sherwin N. Sandberg
Acting Field Manager

Enclosures (2):

- 1-Reclamation Cost Worksheet
- 2-CD/Tony M POO

cc:

Paul Baker
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801